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MEMORANDUM OF UNDERSTANDING

SUBJECT: Reimbursement to the Department of Defense for Military Personnel Assigned and/or Detailed to CIA

1. The purpose of this memorandum is to record the understandings reached by representatives of the Department of Defense, Bureau of the Budget and the Central Intelligence Agency relative to the above subject.
2. For Fiscal Year 1956 and future fiscal years it is agreed that CIA will budget for and will reimburse the Department of Defense for all military personnel assigned and/or detailed to the Agency for all activities other than para-military, such reimbursement to be effected in a lump sum, as follows:

a. OFFICERS

The amount will be computed on an average salary basis after taking into consideration the number of officers in each grade without disclosing actual names, assignments or locations.

b. ENLISTED

The amount will be computed for each service on an average salary based on the on board grade structure reflected in manning documents, at the beginning of each fiscal year, pertinent to CIA, without disclosing actual names, assignments or locations.

(signed) A. W. Dulles

16 July 1955

Director of Central Intelligence

(signed) C. E. Wilson

26 July 1955

Secretary of Defense

(signed) Rowland Hughes

2 August 1955

Director, Bureau of the Budget, ~~CONFIDENTIAL~~

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